was deemed expedient. This was done by Order-in-Council in 1888. In view, however, of a probable arrangement with the United States for a reduction of the duties on sawn lumber, the export duty on logs was again reduced to $2 on July 5th, 1889, followed by its final abolition during the following year. In the five years from 1886 to 1890, the Dominion Government, (Conservative) dealt with the question five different times. Down ernment had been universally recognized as the proper authority to deal with the questions at issue, owing to the general desire to obtain better trade relations with the United States, and the importance of the lumber regulations as an element in the negotiations. And the Ontario Government of Sir Oliver Mowat, and the Dominion Government of Sir John Macdonald always evidently regarded and dealt with this very important matter as if they were of one opinion, and there never had been any dispute between the two Governments on this point. Sir Oliver Mowat, naturally left the matter with the Dominion, which had the jurisdiction in international negotiations, to be used as a lever to secure more favourable trade relations with the United States.

The Manufacturing Condition Imposed.

At this stage, before any conclusion had been reached, the Ontario Government held a timber sale in 1890. As the territory offered for sale included a large area from which shipments could easily be made to the United States, the Ontario Government deeming such action in harmony with the policy of the Dominion, and altogether expedient under the then existing conditions, inserted a condition in the terms of sale requiring the logs to be sawn in Canada.

Shortly afterwards the long desired understanding with the United States was reached. In reply to a question in the House of Commons, Sir John Macdonald stated that in the event of the United States Congress reducing the import duty on sawn lumber to $1 per 1000 feet, the Canadian Government would remove the export duty on saw logs. This information was conveyed to the American Government. The United States import duty was reduced to $1 and the Dominion Government reciprocated by removing the export duty.

An Impracticable Suggestion.

So far there had been no agitation for any Provincial action. Mr. Meredith had suggested that in future sales a condition of manufacture in the country should be inserted — but the a[illegible]ment reached with the United S[illegible] essentially changed the situation. [illegible] had secured the prosperity of the lumbering interest. It had enlarged the market for lumber and augmented the profits of the trade. To make it a condition of future sales, would have re-opened the whole question, and incurred the danger of losing the advantages already secured. The United States would have regarded such action as contrary to the spirit of the understanding arrived at, and a breach of good faith. There would have been an immediate danger of the reimposition of the old duty, or a higher one, which would have paralyzed the lumber trade, or brought on a financial crisis.

These considerations, coupled with the fact that only a small portion of the timber region affected presented opportunities for the shipment of logs to the United States, amply jus-